

# Millennium Challenge Corporation

Reducing Poverty Through Growth



**COUNTRY : SENEGAL**  
**STATUS : PROPOSAL RECEIVED**

**LAST UPDATE : AUGUST 2006**

## GENERAL INFORMATION

Population	11,385,913*
GNI Per Capita	\$710*
Location	West Africa, on the North Atlantic Ocean
Proposed Compact Amount	\$255 million

## ABDOULAYE WADE

President of Senegal

*"Poverty reduction is good, but its eradication is even better. Senegal has opted for its elimination and we intend to do it through the Diamniadio Platform project which is expected to directly benefit the community."*

## COMPACT GOAL

The Government of Senegal's proposal is to develop a new industrial, commercial, and residential zone in Diamniadio, located 30 kilometers southeast of the capital. The capital city of Dakar and its periphery currently account for roughly 80% of the country's economic activity. However, the city's geographic location on a peninsula, the corresponding congestion, and the concentration of services in this small area are serious constraints to economic growth. Senegal is developing this infrastructure project to maximize its impact on economic growth and poverty reduction.

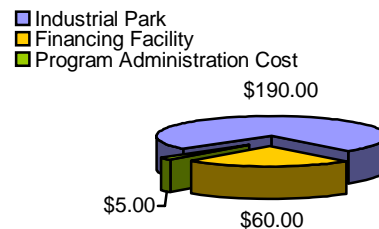
## COMPACT PROCESS

## DATE

Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Proposal Receipt	<input checked="" type="checkbox"/>	January 15, 2005
Opportunity Memo	<input checked="" type="checkbox"/>	June 22, 2005
Congressional 609g request	<input checked="" type="checkbox"/>	June 30, 2005
Congressional notification on Compact Negotiations		
Investment Memo		
Board Approval		
Compact Signing		
Entry into Force		
Initial Disbursement		

## PROPOSED KEY SECTORS

(IN MILLIONS)



## EXPECTED RESULTS

The Government of Senegal has estimated that its proposed project will provide an economic rate of return between 15% and 20% through additional investment generation in the Diamniadio area, and corresponding job creation.

## UPDATE ON PROGRESS

- MCC is conducting baseline studies for the project. MCC and the Government of Senegal signed an Implementation Agreement for these studies in October 2005, which provides for up to \$6.5 million for demand, feasibility, and technical design studies to inform the Compact development process.
- In October, 2006, 609(g) consultant Louis Berger Group will complete the prefeasibility report, which, along with the work of counterpart AMPMD, will inform MCC's investment decision. This report will describe the results of the initial environmental evaluation, footprint of social impact, proposed zoning and phasing for the platform construction, and preliminary solutions to major technical and design issues (such as rain and waste water treatment and drainage). It will take into account macro-level factors such as nationwide utility production, major complementary infrastructure projects, and policy reform that may affect the demand for the platform.
- 609g consultant ARD, Inc. is compiling a dossier for each landholder in the platform area that includes a household census, aerial photos, GPS mapping, legal documents registered with the government, and any other documentation the landholder presents. This set of dossiers will help inform future land use (the "schema d'urbanisme") and the resettlement action plan.
- The MCC transaction team continues to have a frequent and regular presence in Dakar to work with counterparts and consultants; there will be almost a constant presence between now and the end of the prefeasibility phase in October to ensure best communication between all teams.

\*World Development Indicators, World Bank, 2005